

COMMONWEALTH OF MASSACHUSETTS
Executive Office of Housing and Economic Development

OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT

Massachusetts Business Development Corporation
MBDC CAPITAL ACCESS PROGRAM

FISCAL 2016 ANNUAL PLAN

INTRODUCTION

The MBDC Fiscal 2016 Annual Plan complies with the requirements of the Office of Performance Management Oversight created by Chapter 240 of the Acts of 2010 – An Act Relative to Economic Development Reorganization. It includes goals set for the year and the performance measurements by which to evaluate goals, programs, and initiatives.

AGENCY OVERVIEW

MBDC works with financial institutions and small businesses within the Commonwealth to impact “Main Street” business creation and expansion through lending to smaller business.

The Capital Access Program (CAP) is designed to help small businesses (with less than \$5 million in revenues) throughout Massachusetts obtain loans from participating banks. Using cash collateral guarantees from a loan loss reserve fund, this program enables banks to make loans they might otherwise be unable to grant.

Loans guaranteed through this program may be used to start or expand businesses, or to provide permanent working capital to ensure continued profitable operations. Typical uses are equipment or inventory purchases and startup costs.

FISCAL YEAR 2016 ANNUAL PLAN – Currently the Capital Access Program has no fiscal funding. We are assuming funding at a reduced level.

GOALS	STRATEGY	MEASUREMENTS
Create and Retain Jobs	CAP will analyze and track job creation and retention for each Company financed.	CAP funding will Create or retain 1,320 Jobs this fiscal year.
Assist Main Street businesses in obtaining Loans to start or expand business opportunities	CAP will continue its outreach efforts within the banking and small business community to increase program usage.	CAP will lend to 120 businesses this fiscal year.
Leverage private sector financing by attracting bank loans into these companies	CAP will continue to market the program through the MA Bankers Assoc and direct presentations to the banking community	CAP will attract over \$7 million in new private sector loans and achieve a leverage ratio of 27:1.
Utilize state funds efficiently to stimulate job Creation and retention	CAP will track all private sector investment to maximize private investment/minimize state investment in job creation activities	Cost per job created/retained under CAP < \$300 per job.
Invest state funds effectively by impacting Main Street business expansion in Gateway cities	CAP will promote the inner city Gateway Program within their communities.	Focus on increasing loans to Gateway cities, approx. 17%.

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ADDITIONAL INFORMATION:

Goals established in this plan have been reduced from last year due to funding.